

**SPECIAL AWARD CONDITIONS  
ADVANCED TECHNOLOGY PROGRAM – SINGLE RECIPIENT  
COMPUTER AIDED SURGERY, INC.  
COOPERATIVE AGREEMENT NO. 70NANB1H3050**

**1. RECIPIENT ADMINISTRATOR CONTACT**

The Recipient Administrator Contact's name, title, address, and telephone number are:

(Technical) Dr. D.B. Karron  
Principal Investigator  
(212) 686-8748  
(Administrative) Dr. D.B. Karron (212) 686-8748  
President  
Computer Aided Surgery, Inc. (CASI)  
300 East 33<sup>rd</sup> Street  
Suite 4N  
New York, NY 10016  
Fax: (212) 448-0261  
E-Mail: karron@casi.net

**2. GRANTS OFFICER**

The Grants Officer's name, address, and telephone number are:

Marilyn J. Goldstein  
National Institute of Standards and Technology  
100 Bureau Drive, Bldg. 411, Room A-143, Mail Stop 3580  
Gaithersburg, MD 20899-3580  
(301) 975-6359

**3. GRANTS SPECIALIST**

The Grant Specialist's name, address, and telephone number are:

Hope Snowden  
National Institute of Standards and Technology  
100 Bureau Drive, Bldg. 411, Room A-143, Mail Stop 3580  
Gaithersburg, MD 20899-3580  
(301) 975-6002

**4. PROGRAM OFFICERS**

a. The Technical Manager's name, address, and telephone number are:

Bettijoyle Lide  
National Institute of Standards and Technology  
100 Bureau Drive, Bldg. 101, Mail Stop 4720  
Gaithersburg, MD 20899-4720  
(301) 975-2218

b. The Project Manager's name, address, and telephone number are:

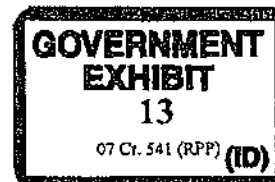
Jayne Orthwein  
National Institute of Standards and Technology  
100 Bureau Drive, Bldg. 101, Mail Stop 4720  
Gaithersburg, MD 20899-4720  
(301) 975-3176

**5. PROJECT DESCRIPTION**

All research shall be conducted in accordance with the Recipient's proposal dated 07/06/01 (Gate 1), and 08/06/01 (Gate 2), and all revisions/late documentation dated 08/21/01, 08/27/01, 09/06/01, 09/12/01, 09/14/01, and 09/--/01, including revised budget dated 09/--/01.

**6. FUNDING LIMITATIONS**

The scope of work and budget incorporated into this award cover a three-year period (referred to as the "project period") for a total amount of \$2,000,000.00 in Federal funds. However, Federal funding available at this time is limited to \$800,000.00 for the first year period from October 1, 2001 through September 30, 2002 (referred to as the "budget period"). The Grants Officer may require additional clarification to support the budget. If that results in changes to the budget or budget narrative, the Recipient shall submit, in writing, a revised budget and/or budget narrative to the Grants Officer for approval. Receipt of any funding beyond the first year up to the level projected under this award is contingent upon the availability of funds from Congress, satisfactory performance, and will be at the sole discretion of the National Institute of Standards and Technology (NIST). The Recipient may not obligate, incur any expenditure, nor engage in any activity that involves a commitment of Federal funds under this Agreement in excess of the Federal amount presently available. No legal liability exists or will result on the part of the Federal Government for payment of any portion of the remaining funds, which have not been made available under the award. If additional funds are not made available, any expenses incurred related to closeout activities must be funded from the amount already made available under this award. The notice of availability or non-availability of additional funding for the second and third year(s) will be made in writing by the Grants Officer. Only the Grants Officer is authorized to obligate funds. No other verbal or written notice should be relied upon by the Recipient. In the absence of a written notice of additional funding, no assumption should be made by the Recipient that the funds will be forthcoming.



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Projected budget amounts and periods:

Year 2: \$600,000.00 (From 10/01/02 to 09/30/03)  
 Year 3: \$600,000.00 (From 10/01/03 to 09/30/04)

**7. COST SHARE**

For the first year period, the cost sharing ratio (direct costs only) applicable to this award is the Recipient's contribution of 3.61% (\$30,000.00) and NIST's contribution of 96.39% (\$800,000.00).

**8. PERSONNEL AND CONSULTANT REQUIREMENT**

The Recipient must provide to the ATP Project Manager in writing within 60 days of project start date, identification of the personnel on the project and the percentage of time including consultants.

**9. REQUIREMENT OF ACCOUNTING SYSTEM CERTIFICATION**

The Recipient, whether receiving Federal Funds or only providing matching funds, must have a functioning financial management system that meets the provisions of 15 CFR 14.21 to ensure proper accountability of funds. Therefore, Computer Aided Surgery, Inc., must submit an accounting system certification issued by an Independent Certified Public Accountant (CPA) to the NIST Grants Officer within 90 days from the date of this award.

**10. DEFERRAL OF REVIEW OF USE OF HUMAN SUBJECTS**

Based upon a review of the proposal dated July 6, 2001, NIST has determined that the involvement of human subjects in research identified herein meets the criteria to qualify for a deferred review. This award is made in accordance with 15 CFR 27.118, which permits research that does not involve human subjects to proceed even though human subjects may be involved at a later stage during the project period. In accordance with the 8/01 ATP General Terms and Conditions #19, the Recipient must submit the following documentation prior to Year 3 of the project and prior to any research that may involve human subjects, to the ATP Project Manager for review and approval by appropriate NIST officials:

- a) Documentation establishing approval of the project by an Institutional Review Board qualified under 15 CFR 27.103, OR
- b) Documentation to support an exemption for the project pursuant to 15 CFR 27.101(b).

The documentation requirements are available on the ATP website at <http://www.atp.nist.gov>, outlined in the ATP booklet titled "Guidelines and Documentation Requirements for Research Involving Human and Animal Subjects." No involvement of human subjects in research may be undertaken or conducted, or costs involving human subjects research incurred or charged to the project, until the NIST Grants Officer's approval of the above documentation is obtained in writing.